

**Lake Ripley Management District
Annual Meeting Minutes
August 31, 2013**

NOTE: These minutes are considered DRAFT until approved at the following Annual Meeting.

I. Call to order

The Annual Meeting of the Lake Ripley Management District was called to order by Chairman John Molinaro at 9:48 a.m. on August 31, 2013, at the Oakland Town Hall. The meeting was preceded by a 9:00-9:48 a.m. budget hearing. Board members in attendance: John Molinaro, Mike Sabella, Walt Christensen, Georgia Gomez-Ibanez, Jane Jacobsen-Brown, Dennis McCarthy and Gene Kapsner. Also present: Craig Kempel, Dave DeGidio, Debra Kutz, Rick Kutz, Ann Molinaro, Bill Trout, Kent Brown, Sharon Erickson, Tom Erickson, Ed Grunden, Bernie Gahan, Susan Graham (Wisconsin DNR), and Leah Garrison (Cambridge Cable TV 98). A total of 17 eligible electors and property owners were present for voting purposes.

II. Approval of 2012 Annual Meeting minutes

Minutes of the September 8, 2012, Annual Meeting were distributed and reviewed by those in attendance. Molinaro asked for a motion from the floor to approve the minutes as written. *Debra Kutz moved to approve the minutes as presented. Motion seconded by Kent Brown. Motion carried unanimously.*

III. Nomination of board candidates (names appearing on the ballot: Mike Sabella and Jane Jacobsen-Brown, incumbents)

Ballots were distributed by Ann Molinaro, chair of the elections committee, for the purpose of filling two open positions. Mike Sabella and Jane Jacobsen-Brown were on the ballot as incumbents running for reelection to additional three-year terms. Additional space was provided on the ballot for write-in candidates. Molinaro asked if there were motions from the floor to nominate write-in candidates. Hearing none, all eligible electors were asked to complete and submit their ballots to the elections committee so they could be tabulated.

IV. Chairman's report

Molinaro gave a state-of-the-lake report focusing on the theme of "change." Noting that the Lake District was formed nearly 23 years ago, and said it was difficult to imagine what Lake Ripley might be like today if it were not for the District and its work. Major changes cited during this time included repairing thousands of feet of degraded shoreline, acquiring and restoring the Lake District Preserve lands, and maintaining an active weed-harvesting program—among others. Many years ago, he recalled some people approaching him and suggesting that lake weeds didn't need to be managed. He wondered what the lake might look like if we were not out there harvesting, and whether it would even be navigable.

Other changes were outside of the District's control, and were often difficult, if not impossible, to predict. Droughts, floods and equipment breakdowns were cited as examples. While people's biggest concern might be water levels one year, it can be something entirely different the next—like the resurgence of a prolific aquatic plant or the discovery of a new invasive species infestation. Molinaro said the Lake District has tried to respond to these issues as they arise, but that sometimes there are no easy answers or quick fixes to the problems we face.

He concluded by thanking all those who work hard to care for Lake Ripley, and especially those who put the interests of the lake ahead of their own self interests. He said the lake is why most of us have chosen to live or buy property here. If it were not for a healthy lake, property values would plummet and the many benefits we now enjoy would no longer be available to us.

V. Treasurer's report

Sabella reviewed his various responsibilities as treasurer, and his role in safeguarding the District's assets. Responsibilities include collecting funds and paying operating expenses, investing any excess funds, developing and presenting financial statements and monthly summary reports to the Board, and preparing staff payroll and related government reports. His other roles include serving as a member of the budget and harvesting committees, and as an advisor to the citizen audit committee. Sabella next presented a June 30, 2012 vs. June 30, 2013 comparative net asset report. As of June 30, 2012, total cash on hand was about \$165,000, and liabilities were about \$4,700. This compared to about \$147,000 in cash on hand and \$3,000 in liabilities as of June 30, 2013. The approximately \$17,000 difference in cash balances was due to: A) non-budgeted and unanticipated repairs to the harvesting equipment, and B) non-budgeted but anticipated Preserve-restoration expenses for which grants and unrestricted reserve dollars were used. He noted that the District currently has no outstanding debt.

As per Section 33.29(2) of the Wisconsin Statutes, Sabella explained the Board's mandate to conduct an annual audit of the District's financial transactions. The audit can be performed either by an outside accounting firm or a chair-appointed citizen audit committee. A citizen audit was convened on June 24, 2013. Audit Committee members consisted of Debra Kutz (Chair), Dave DeGidio and Jimmy DeGidio. Sabella and Dearlove were in attendance to present the accounting records and answer questions. Kutz was asked to read the audit meeting minutes and findings into the record (see attached). It was reported that the audit committee concluded that the financial records reflect properly, accurately and fairly the financial condition of the District for the year ended December 31, 2012. Sabella was commended on the thoroughness of the financial records and all his good work. Sabella, in turn, thanked the members of the committee for donating their time to assist with the audit.

VI. Adoption of Resolution 2013-01 creating a restricted, non-lapsable Lake Ripley Protection Fund

Copies of the document titled "Annual Meeting Resolution 2013-01 -- Creating Lake Ripley Protection Fund" were distributed for review and consideration (see attached). Molinaro explained that the authorizing resolution was recommended and drafted by legal counsel (Attorney Bill O'Connor) to consolidate several restricted, non-lapsable accounts into a single "Lake Ripley Protection Fund." The resolution also set forth a revised format of the District's annual budget, and clarified the type of transfers that could legally be directed into and out of the Fund. *Motion was made by Dave DeGidio to approve Resolution 2013-01. Motion seconded by Debra Kutz. Motion carried unanimously.*

VII. Authorization to use unrestricted funds, capital reserves or other financing strategies to replace weed-harvesting equipment

Molinaro asked Dearlove to report on the status of the aging weed-harvesting equipment and related challenges as outlined in one of the meeting handouts. His presentation included a full description of the current harvesting program; the function, age and condition of each piece of equipment; operator, manufacturer and DNR recommendations on equipment needs; estimated costs for replacement; and available funding options. Discussion included questions and answers related to operational matters, as well as the process for funding and acquiring new machinery. One scenario was to use existing capital reserve funds in combination with a 50% matching grant from the Wisconsin Waterways Commission to acquire new equipment by 2015. *Dave DeGidio moved to authorize the use of unrestricted funds, capital reserves or other financing strategies to replace the aging weed-harvesting equipment. Motion seconded by Tom Erickson. In discussion, Sabella inquired whether an alternative off-loading site was available that might allow for a different combination of machinery that could increase efficiencies. Molinaro and Dearlove replied that all options were and continue to be investigated, and that no viable alternatives had been identified. Motion carried unanimously.*

VIII. Authorization to use unrestricted funds to implement a landowner incentive pilot to encourage adoption of conservation practices

Molinaro asked Dearlove to summarize the pilot as detailed in one of the meeting handouts. It was explained that the general program model, as drafted by an advisory committee, had been approved by the Board and was now being submitted for Annual Meeting consideration. A minimum investment of \$25,000 was recommended to pay for the development, marketing and implementation of the one-year pilot. Most of the money would go toward the funding of approved projects through a competitive application process. Conceptual details pertaining to pilot design and implementation were provided. The goal was to increase interest in specific projects or practices that could drive further water quality and habitat improvements in Lake Ripley. If approved, the pilot would supplement, rather than replace, the existing cost-share program by removing some of the existing barriers to broader participation.

The pilot overview was followed by questions and discussion on program specifics, including the proposed use of unrestricted funds to cover the costs. Sabella indicated that about \$35,000 in unrestricted funds were currently on hand. If the 2014 budget is adopted, he explained that half of those unrestricted funds would go toward lowering the overall tax levy, theoretically leaving \$17,500 for the pilot. However, he estimated the availability of an additional \$5,000 in uncommitted landowner cost-share dollars, bringing the total amount available for the pilot up to \$22,500. To get to the full \$25,000, he explained that the Annual Meeting would have to approve a \$2,500 increase to the proposed budget. *Dave DeGidio moved to authorize the use of \$17,500 in unrestricted funds to implement the landowner incentive pilot. Motion seconded by Kent Brown. Motion carried unanimously.*

VI. Approval of budget and tax levy

Copies of the proposed 2014 budget were distributed (see attached). The budget was previously presented and discussed in detail during the preceding budget hearing. Sabella provided an overview of the budget and reviewed how it was developed. As currently proposed, the 2014 budget called for a \$124,969 tax levy, \$2,055 in estimated carryover, and the allocation of \$17,500 in unrestricted funds to cover the \$144,524 in total projected disbursements. Restricted fund balances were also reviewed. *Dave DeGidio moved to increase the landowner cost sharing budget from \$8,500 to \$11,000 for the purpose of raising \$2,500 for the proposed landowner incentive pilot. Motion seconded by Bernie Gahan. Motion carried 16-1. DeGidio then moved to approve the budget in its entirety. Motion seconded by Kent Brown. Motion carried unanimously.*

VII. Tabulation of vote and election of board members

While the ballots were being tabulated by the elections committee, Ed Grunden acknowledged Walt Christensen for all his help in repairing the dump truck during a recent mechanical breakdown. Gratitude was also extended to Jeff Scheel and Dave Shultz of the Town of Oakland. In recognition of recent donations, Jane Jacobsen-Brown wished to recognize Norma Borhardt for her generous contribution toward the Willerup Bible Camp's shoreline restoration project. Upon completion of the tabulation, Ann Molinaro, chair of the election committee, reported receiving a total of 17 completed ballots from eligible electors. Results indicated that 17 votes had been cast to re-elect Mike Sabella, and 15 votes were cast to re-elect Jane Jacobsen-Brown. There were no write-ins.

VIII. Adjournment

Gene Kapsner moved to adjourn at 11:53 a.m. Motion seconded by Kent Brown. Motion carried 17-0.

Respectfully Submitted,

Jane Jacobsen-Brown, Secretary
Recorder: PDD

Date

August 21, 2013

To: Members of the Board,
Lake Ripley Management District

From: Debra Kutz, Audit Committee Chair
Dave DeGidio, Audit Committee Member
Jim DeGidio, Audit Committee Member
Mike Sabella, Advisor to the Audit Committee

The Audit Committee of the Lake Ripley Management District was convened on June 24, 2013 in the District's office in the Town of Oakland, near the Village of Cambridge, Wisconsin. The purpose was to examine the financial books and records of the Lake Ripley Management District for the year ended December 31, 2012.

There was general discussion as to the operations and condition of the records and procedures that would be followed to examine and test the records.

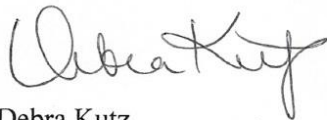
At the direction of the Audit Committee Chair and on a test basis, certain audit and examination procedures, as deemed necessary, were performed.

Findings:

There were no exceptions.

Based on the testing and examination of the financial records of the Lake Ripley Management District, the Audit Committee concludes that the financial records reflect properly, accurately and fairly, the financial condition for the year ended December 31, 2012.

Respectfully submitted,



Debra Kutz
Audit Committee Chair

LAKE RIPLEY MANAGEMENT DISTRICT
ANNUAL MEETING RESOLUTION 2013-01
CREATING LAKE RIPLEY PROTECTION FUND

Whereas, the Annual Meeting of electors and property owners of the District is responsible for the adoption of an Annual Budget for the District; and

Whereas, the Annual Meeting has, from time to time, adopted Annual Budgets that identified specific capital projects (including Preserve Maintenance and Development and Capital and Equipment Acquisition) and made appropriations for these projects to be held as non-lapsable funds until they are completed or terminated; and

Whereas, the Annual Meeting is authorized to create such non-lapsable funds to finance specifically identified capital costs and for maintenance of capital equipment; and

Whereas, the Board of Commissioners has reviewed the District's budget and financial reporting policies and practices, including capital projects and appropriations and has developed and recommended adoption of a revised format for the District's Annual Budget and this Resolution to consolidate and re-establish four separate existing non-lapsable funds established by the District into a single Lake Ripley Protection Fund and more clearly reflect the District's budget and program; and

Whereas, the electors and property owners convened at this 2013 Annual Meeting have determined to provide for a comprehensive program to consider and appropriate funds for approved capital and maintenance projects in the Annual Budget through the creation of a non-lapsable Lake Ripley Protection Fund, and for the Board of Commissioners to plan and carry out approved projects and to account for the sources and uses of the Fund.

NOW THEREFORE, BE IT RESOLVED THAT:

The electors and property owners convened at this 2013 Annual Meeting, pursuant to Sections 33.29(2) and 33(4)(d) of the Wisconsin Statutes, hereby establish a non-lapsable fund designated as the LAKE RIPLEY PROTECTION FUND (the "Fund") and a program to fund capital projects and maintain capital equipment as set forth below:

LAKE RIPLEY PROTECTION FUND

The Lake Ripley Protection Fund is a non-lapsable fund for the protection and maintenance of Lake Ripley. The Fund shall be used exclusively for capital and maintenance projects that are specially identified and listed in the Annual Budget ("listed projects") in amounts not exceeding the authorization therefore. The Fund shall consist of: (a) funds appropriated or transferred to the Fund for listed projects identified in The Annual Budget, (b) grant funds received by the District from the Wisconsin Department of Natural Resources or other sources for listed projects, (c) any gifts or grants received by the District for listed projects, and (d) all investment income of the Fund. The Annual Budget shall include an authorized amount for each listed project.

The Board of Commissioners may seek and accept funds from federal, state, local or private sources to be held in the Lake Ripley Protection Fund for use in connection with one or more listed projects. The Treasurer shall separately account for funds appropriated or received for the Fund, including each listed project and the project's proportionate share of the investment income of the Fund. The Annual Budget proposed by the Commission shall identify each listed project, the year of the Annual Meeting in which each was approved and the amount appropriated or held in the Fund for each such project.

The Board of Commissioners may expend monies received or earned in the Fund for the listed projects not exceeding the amount authorized for each such project. However, upon its completion, the Board of Commissioners may expend any excess funds appropriated for a listed project for another listed project, and

BE IT FURTHER RESOLVED THAT:

The Capital Reserve, Land & Equipment Acquisition Fund, the E. F. Elson Memorial Fund, the Friends of the Preserve Fund and the Preserve Restoration & Development Fund, all as established by previous Annual Meetings of the District shall be dissolved and the balances of such funds transferred to the Lake Ripley Protection Fund upon the adoption of the District's 2014 Annual Budget, and

BE IT FINALLY RESOLVED THAT:

The District Treasurer and Lake Manager are directed to maintain a separate accounting of the Lake Ripley Protection Fund, including the balance of funds held, the earnings accrued and the amounts expended for each listed Fund project.

CERTIFICATION OF THE SECRETARY

The undersigned, Jane Jacobsen-Brown, states and certifies that she is the Secretary of the Lake Ripley Management District, and that the foregoing Resolution 2013-1 was passed and adopted on the 31st day of August, 2013 at the duly convened Annual Meeting of the electors and property owners of the District held at the Oakland Town Hall in Cambridge, Wisconsin.

Jane Jacobsen-Brown, Secretary

Date

2014 APPROVED BUDGET

	2012 ACTUAL	2013 BUDGET	2013 JAN-JUNE ACTUAL	2013 JUL-DEC ESTIMATED	2014 PROPOSED BUDGET
Revenue:					
Real Estate Tax Levy	\$ 118,204	\$ 118,320	\$ 78,745	\$ 39,575	\$ 127,469
Grants	13,105		6,708		
Interest Income	829		435	400	
Carryover	4,193	680	680		2,055
Restricted Funds, Net	<17,622>		<17,185>	26,092	
Other	721		75		
Total Revenues	119,430	119,000	69,458	66,067	129,524
Projects:					
Inlet Monitoring					3,000
Other Special Programs	751	250	0	<250>	0
Operations:					
Landowner Cost Sharing	7,463	5,000	0	5,000	11,000
Weed Harvesting	13,667	10,560	11,699	7,732	10,085
Preserve Restoration/Management	3,826	14,750	22,810	815	15,400
Staff Payroll/Fringes/Taxes	69,539	70,620	35,356	35,264	72,919
Insurance	5,191	5,220	5,501	0	5,600
Legal Counsel	375	1,500	1,553	0	1,500
Dues & Conferences	1,229	1,400	385	<1,015>	1,150
Office & Community Outreach	6,281	7,300	3,392	3,528	6,470
Miscellaneous	2,680	3,200	1,787	1,413	3,200
Commissioner Stipends	4,450	4,900	2,350	1,850	4,900
Rent	1,800	1,800	1,050	750	1,800
Capital Reserve, Land/Equipment Acquisition	10,000	10,000	0	10,000	10,000
Total Disbursements	127,252	136,500	85,883	65,087	147,024
Authorized Use of Unrestricted Funds	6,468	17,500	17,500	0	17,500
Balance	\$ <1,354>	\$ 0	\$ 1,075	\$ 980	\$ 0

The LRMD has no indebtedness.

Restricted Funds:	Capital Reserve, Land/Equip. Acquisition	F.K. Elson Memorial Fund	Friends of the Preserve	Preserve Restoration & Development	Lake Planning Grant	Clean Boats- Clean Waters Grant	Lake Ripley Protection Fund
Est. Balance (12/31/12)	\$ 72,638	\$ 207	\$ 2,180	\$ 1,122			
Additional 2012 Activity				8,750	\$ 4,355		
Increase					<2,082>		
Decrease							
Final Balance (12/31/12)	72,638	207	2,180	9,872	2,273		
2013 Estimated Activity							
Interest	363	1	10	49	11	\$ 2	
Increase				5,620	582	506	
Decrease					<3,000>	<55>	
Transfer to Restricted, Non-Lapsable <i>Lake Ripley Protection Fund</i>	<73,001>	<208>	<2,190>	<15,541>	134	<453>	\$ 91,259

